

MINUTES OF THE COUNCIL BUDGET COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

March 26, 1992

Council Chamber

Committee Members Present: George Van Bergen (Chair), Judy Wyers (Vice Chair), Richard Devlin, Jim Gardner, Sandi Hansen

Councilors Also Present: Susan McLain

Also Present: Dick Engstrom, Deputy Executive Officer

Chair Van Bergen called the regular meeting to order at 7:17 p.m.

■ PHASE II BUDGET REVIEW

1. SUPPORT SERVICES FUND

A. Regional Facilities Department

o Facilities Planning

Neil Saling, Regional Facilities Director, referenced his memorandum dated March 25, 1992 which contained responses to questions posed by the Council Administrator in his March 16, 1992 memorandum to the Budget Committee regarding initial review of the proposed FY 1992-93 Support Services Fund Budget. This memorandum has been made a part of the permanent meeting record.

Mr. Saling referenced his memorandum dated March 24, 1992 which contained responses to questions posed by the Council Administrator in his March 23, 1992 memorandum to the Budget Committee, Exhibit H through L. This memorandum has been made a part of the permanent meeting record.

Pam Erickson, Project Manager, referenced Exhibit H of Mr. Carlson's memorandum dated March 23 and discussed work projects in process as outlined in Mr. Saling's memorandum dated March 24, 1992.

In response to Councilor Hansen, Ms. Erickson said a resolution should be through the Council by July in order for ballot placement. Ms. Erickson said the proposed study for financial analysis of Metro's planning would be additional to information gathered previously.

o Procurement Management

Rich Wiley, Procurement Officer, referenced Exhibit I in Mr. Carlson's memorandum dated March 23 and responded to his questions as outlined in the March 24 memorandum from Mr. Saling.

(Continued)

The Committee and staff discussed the American Contractor publications contract, and Mr. Wiley felt the RFP should be restructured at the time of readvertising.

The Committee and staff discussed the issue of placing the Procurement Division under the Finance Director or retaining it under the Director of Regional Facilities. Mr. Saling indicated the division was self-contained and could be located in either department, but, he said, because of the span of control, the number of other divisions for which Jennifer Sims, Finance and Management Information Director, was responsible, it was decided to retain it in Regional Facilities. He said no cost savings would accrue by placing the division elsewhere. Mr. Wiley said he felt the division should remain impartial and meet agency needs.

o Construction Support

Glenn Taylor, Construction Project Manager, referenced Exhibit J in Mr. Carlson's memorandum dated March 23 and responded to his questions as outlined in the March 24 memorandum from Mr. Saling.

Mr. Saling said the Trail Blazers were interested in proceeding with the seismic and ADA studies in the FY 1992-93 fiscal year rather than the following fiscal year.

In response to Councilor Gardner, Mr. Taylor said the costs were estimates.

In response to Councilor Devlin, Mr. Saling said the facilities involved were MERC facilities, and the question should be resolved whether MERC should pay for the studies. Mr. Taylor said the Convention Center budget did allocate funds for such issues. In response to Chair Van Bergen, Mr. Taylor said reparative measures could be taken to correct problems, should problems arise.

The Committee and staff discussed Metro's role to ensure compliance with prevailing wage and contract regulations.

o Facilities Management

Flor Matias, Support Services Supervisor, referenced Exhibit K in Mr. Carlson's memorandum dated March 23 and responded to his questions as outlined in the March 24 memorandum from Mr. Saling.

In response to Councilor Gardner, Mr. Matias noted competitive bidding would occur for internal telephone lines within the new headquarters building.

o Builders License

Larry Shapiro, Labor Compliance Manager, referenced Exhibit L in Mr. Carlson's memorandum dated March 23 and responded to his questions as outlined in the March 24 memorandum from Mr. Saling.

2. BUILDING MANAGEMENT FUND

Mr. Saling referenced his memorandum dated March 25 to Casey Short containing responses to Council Staff FY 1992-93 Support Services Fund Budget questions contained in a memorandum from the Council Administrator dated March 16, 1992.

Mr. Short referenced Mr. Saling's and Mr. Scherer's memorandum dated March 25 responding to Council Staff questions concerning costs to occupy the Metro Headquarters building. This memorandum has been made a part of the permanent meeting record.

3. CONVENTION CENTER PROJECT CAPITAL FUND

Question No. 4a. The Committee indicated expenditures for the Construction Work/Materials (Buildings) line item containing \$982,500 for improvements to the Convention Center should be brought to the Committee for review. Mr. Saling agreed.

4. GENERAL REVENUE BOND FUND

Question No. 2. Councilor Wyers requested Mr. Short and Mr. Houser discuss in further detail the proposed budget for .5 FTE Associate Engineer interdepartmental temporary transfer from the Solid Waste Department.

Question No. 4. Chair Van Bergen requested further review of the matter of budgeting \$192,344 in the Renewal and Replacement account which was not expected to be expended rather than budgeting the amount in contingency or unappropriated balance. Mr. Saling agreed.

5. CONVENTION CENTER PROJECT DEBT SERVICE FUND

Mr. Short referenced Ms. Sims memorandum dated March 25, 1992 to George Van Bergen concerning Convention Center Debt Service Fund - Revised FY 1992-93 Proposed Budget. This memorandum has been made a part of the permanent meeting record.

Mr. Short referenced also a memorandum from Christopher Scherer, Financial Planning Manager, dated March 25, 1992 concerning budget questions on the Convention Center Debt Service Fund. This memorandum has been made a part of the permanent meeting record.

6. GENERAL REVENUE FUND

A. Revenue Estimates

Ms. Sims said the General Fund was impacted by the shortfall in excise tax revenues, and said the based on projected revenues in each of the operating areas the proposed rate of 6% established over \$700,000 combined contingency and unappropriated balance. Ms. Sims said a difference in tonnage of 100 thousand tons would produce a revenue impact in excise tax shortfall of \$357,000.

Mr. Carlson indicated programs funded by excise tax revenues could warrant further review in the event of continued shortfall. Mr. Carlson noted a shortfall in tonnage did not affect the Solid Waste fund as dramatically because a concurrent ensuing reduction in expenditures would occur, such as in contracts for transportation and handling of waste. He said greater impact was felt in the General Fund. He said the question was whether to take a conservative approach and budget excise tax revenue based upon this year's estimated experience. He said in that case \$357,000 revenue loss would occur within the budget to be followed by the question, how to offset the loss; from contingency, unappropriated balance or direct budgeted expenditures.

Councilor Gardner concurred he felt the tonnage projection was optimistic, and he agreed the impact to the Solid Waste Department was lessened since expenditures reduced accordingly. He said over projections in solid waste tonnage had not occurred in the past, but, he said, this year over projections resulted in programs being canceled, staff disruptions, and said he felt it was not good for Metro to over project. He noted the Portland State University (PSU) study indicated unknown factors caused more than half of the tonnage shortfall. Councilor Gardner said it did not seem prudent to project tonnage at 100,000 tons over projections for this year.

Mr. Carlson asked Ms. Sims to prepare a memorandum with the information Ms. Sims reported to the Committee regarding revenue estimates.

Councilor Devlin said he felt further experience was necessary to obtain more accurate projections.

Dick Engstrom, Deputy Executive Officer, said he agreed with Councilor Devlin that not enough history was available to make definitive projections and understood the concerns of the Council. He felt the PSU study was the best Metro had at this point.

Councilor Hansen asked if Council staff intended to analyze the revenue estimates given by Ms. Sims.

Mr. Carlson said it was a prudent and conservative approach to budget next year tonnage and revenues based upon anticipated experience this year,

noting revenue estimates would then be reduced by approximately \$357,000. He said a review of General Fund expenditures and a proposal for reductions in the amount of \$357,000 should follow while factoring in the rate increase for next year.

Councilor Gardner said he felt Facilities Planning was an organization in search of a mission, and noted portions of the Facilities Planning division had functioned within other departments previously, and suggested review of the division for reductions could be made. Councilor Gardner and Chair Van Bergen agreed staff and positions were management issues whereas programs were policy issues. Councilor McLain commented Regional Facilities was interconnected in a number of areas and should be seen in the whole process as such. Councilor Devlin said priorities needed to be identified.

B. Executive Management Department

Mr. Engstrom responded to questions in Exhibit M of Mr. Carlson's memorandum of March 23 pertaining to the General Fund.

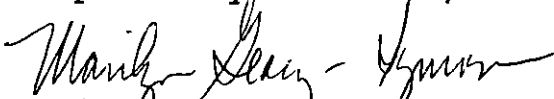
Question No. 1. Mr. Engstrom said Ms. Rocker had responded to question no. 1 previously.

Question No. 2. Mr. Engstrom said the department anticipated receiving \$25,000 in "in-kind donations", and it had been recommended by the Budget Officer it be included in the budget proposal both as a revenue and expenditure.

Question No. 3. Mr. Engstrom said he was preparing an analysis of management compensation plan and would have the document available in a week.

There being no further business, the meeting adjourned at 9:46 p.m.

Respectfully submitted,


Marilyn Geary-Symons
Committee Clerk